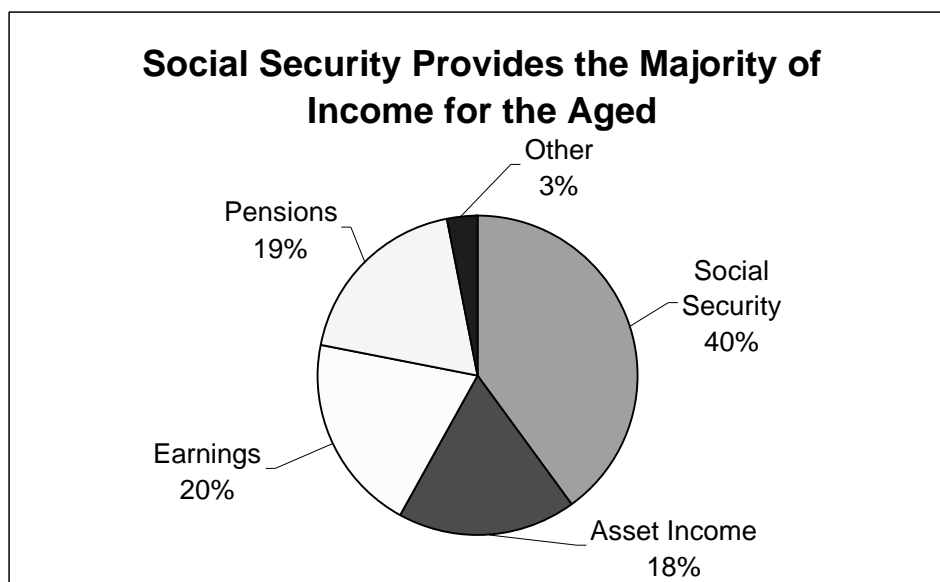


How Does Social Security Help Americans?

- Social Security is a major source of income for most of the elderly and for dependent families. Nine out of ten of those 65 and older receive Social Security benefits.
- Social Security provides more than just retirement benefits, it provides disability and survivor benefits. While retired workers account for 62 percent of the total benefits paid by Social Security in 1996, 38 percent of benefits paid provided income for disabled workers, widow(er)s, spouses and children.
- Social Security has reduced poverty for millions of Americans and their families. Without Social Security, the poverty rate for elderly beneficiaries would be 37 percentage points higher. In 1997, Social Security kept at least 13 million elderly and children out of poverty.

Social Security is a Major Source of Income for Most of the Elderly

Ninety-one percent of the aged receive Social Security benefits, and these benefits represent 40 percent of income of the elderly as shown in the chart.



Source: *Income of the Aged Chartbook, 1996*, Social Security Administration, Office of Research, Evaluation and Statistics, May 1998.

A surprising number of the elderly rely heavily on Social Security. About two-thirds of aged Social Security beneficiaries receive 50 percent or more of their income from Social Security, and it is the only source of income for 18 percent.

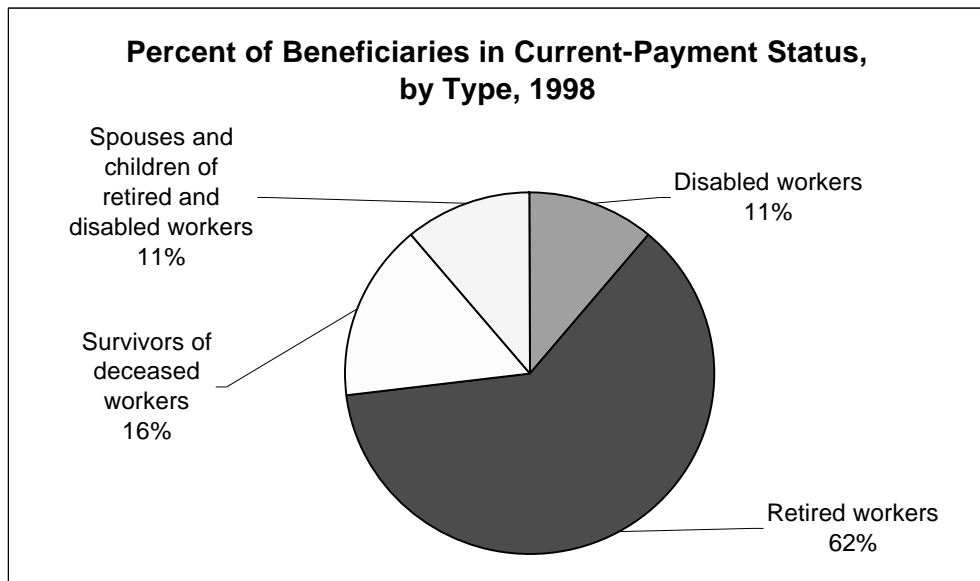
Percentage of beneficiaries who rely on Social Security for :

Half or more of their income.....	66%
Nearly all (90%) of their income.....	30%
All of their income	18%

Source: *Social Security Programs in the United States*. Social Security Administration, ORES, July 1997.

Social Security Provides More than Retirement Benefits

Social Security provides more than just retirement benefits, it provides disability and survivor benefits. While retired workers account for 62 percent of the total benefits paid by Social Security in 1996, 38 percent of benefits paid provided income for disabled workers, widow(er)s, spouses and children as illustrated in the chart below.



Source: *Fast Facts and Figures about Social Security*, SSA Office of Research Evaluation and Statistics, 1999.

The Social Security program provides monthly benefits designed to replace, in part, the loss of income due to retirement, disability or death. In 1998, forty-four million people received Social Security benefits:

- **retired worker's** benefits averaged \$780 per month with additional benefits available for dependents;
- **disabled workers** received \$733 per month on average (greater if there were dependents present); and
- **survivors** of deceased workers received benefits averaging between \$487 to \$749 per month.

Social Security pays benefits when you **retire**, **become disabled**, or **die**, if eligibility requirements are satisfied. Your spouse and children may also be eligible for benefits when you become entitled. The following table shows who most often receives Social Security cash benefits.

When You:	Benefits May Be Paid To		
	You	Your spouse	Your unmarried child
Retire	Age 62 or over ¹	Age 62, or over	Under 18, or 19 if still in high school, or any age if disabled before 22
Become Disabled	Any age before Normal Retirement Age	<ul style="list-style-type: none"> Any age, if caring for your child who is under 16 or disabled before 22 Age 62 or over 	Under 18, or 18 if in high school, or any age if disabled before 22
Die	-----	<ul style="list-style-type: none"> Age 60 or over, or age 50-59 if disabled Any age, if caring for your child who is under 16 or disabled before 22 	Under 18, or 18 if in high school, or any age if disabled before 22

Source: *1998 Guide to Social Security and Medicare*, Detlefs, Dale R., Robert J. Myers, & J. Robert Treanor.

¹Under present law, the normal retirement age (NRA), or the age at which a worker can receive unreduced Social Security benefits, is scheduled to gradually increase to 67 by 2027.

Social Security Supports Families and Children in Times of Need

The disability or death of a worker can often bring financial crisis into the lives of families, especially those with young children.

Disability benefits: Under Social Security, 80 percent of workers aged 21-64 and their families have protection in the event of a long-term disability. The disability program provides the same value as a \$300,000 policy for a 27 year-old average earner with a family (includes the value of subsequent retirement and survivor benefits). The average monthly benefits provided to disabled workers and their families in 1999 were \$1,217.

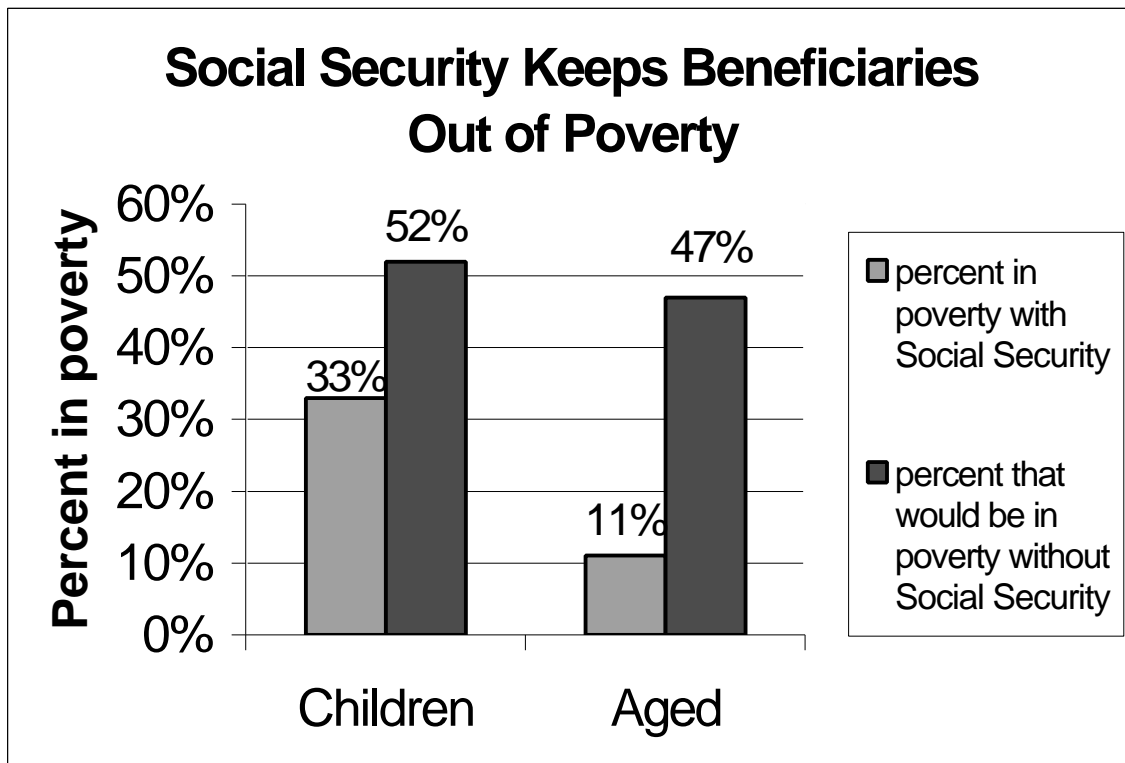
Survivor benefits: For the same 27 year-old average earner with a family, Social Security survivors benefits are equivalent to a \$313,000 life insurance policy. An estimated 98 percent of young children and their mothers and fathers are insured for survivors benefits through Social Security. In 1999, there were about 210,000 widow(er)s caring for children and receiving Social Security survivors benefits. The average monthly benefit for a widow(er) and two children was \$1,538 in 1999.

Disability and survivor benefits are especially important to children. In 1999, there were approximately 3.4 million children receiving Social Security benefits because of the disability or death of a parent. In total, children constitute 8.6 percent of Social Security beneficiaries.

Social Security has Significantly Reduced Poverty for Millions of Americans

The poverty rate for older Americans has dropped from 35 percent in 1959 to 10.5 percent in 1998. In 1997, Social Security kept an estimated 1.4 million children and 12 million elderly out of poverty.

Without Social Security, the poverty rate for children and the elderly would be substantially higher. The following chart shows what the poverty rate for these groups would be without Social Security compared to what it is now.



Source: Social Security Administration calculations based on data from the *Current Population Survey*, March 1998.